

Mineral Industry Surveys

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GOLD IN OCTOBER 2004

U.S. mines produced 21,800 kilograms (kg) of gold in October 2004, a 2% decrease compared with that of September, according to the U.S. Geological Survey. Production of gold in California was down by 6% over the same period. Total gold production for the first 10 months of 2004 was 9% less than that for the first 10 months of 2003, and the production in October was 11% less than that of October 2003.

Domestic.—A new mill near Kellogg, ID, which is owned by the New Jersey Mining Co., began processing gold ore. A low-grade ore from the Coleman open pit mine was used to optimize the mill circuit until a higher-grade ore from the Golden Crest Mine was processed (Platts Metals Week, 2004d).

International.—GFMS Ltd. reported that net gold sales from the official sector added an average of 518,000 kg (16.7 million troy ounces) per year to the gold market from 2000 to 2004 with a forecasted 424,000 kg (13.6 million ounces) of gold sales in 2004. This average figure for the official gold sales represented 118,000 kg (3.8 million ounces) over the first Central Bank Gold Agreement limits that constituted 13% of the average annual supply over 2000 to 2004. In terms of demand, gold supplied to the gold market from the official sector from 2000 to 2004 was equal to about 1% of the gold required for industrial demand over the same period. Industrial demand refers to gold used for electronics, dentistry, jewelry, and bar hoarding (GFMS Ltd., 2004).

Durban Roodepoort Deep Ltd. (DRD) completed retrenchment at its Blyvooruitzicht gold mine (South Africa). A total of 1,619 workers were paid retrenchment packages that included skills training vouchers, which can be exercised until the second week of December 2004. All affected employees have left the mine. Blyvooruitzicht has become a smaller, higher grade underground gold mine. DRD produced 28,000 kg (905,000

ounces) of gold in its fiscal year 2004 (Platts Metals Week, 2004c).

Sri Lanka's Central Bank lifted a 4-month suspension on the sale of precious metal commemorative coins by placing them on a floating rate based on the open price of the bullion market. Previously, these gold and silver coins were profitable for speculators because they contained more precious metals than their face value. For example, buyers found a bargain when they purchased the 8-gram (quarter-troy-ounce) gold coin for \$80 when the equivalent gold value in the open market was at least \$120 (Platts Metals Week, 2004e).

The Samira Hill gold mine in Niger, West Africa, poured its first gold on September 25, 2004. Annual gold production was estimated at 4,200 kg (135,000 ounces) (Platts Metals Week, 2004b). In addition, the North Lanut gold mine in Indonesia poured its first gold on October 7, 2004. Annual gold production was expected to exceed 1,560 kg (50,000 ounces) (Platts Metals Week, 2004a).

References Cited

- GFMS Ltd., 2004, At \$400/ounce, gold demand needs only to expand by 2.3% to absorb additional CBGA sales: London, United Kingdom, GFMS Ltd. press release, October 13, 4 p.
- Platts Metals Week, 2004a, Avocet starts gold production in Indonesia: Platts Metals Week, v. 75, no. 42, October 18, p. 10.
- Platts Metals Week, 2004b, Etruscan becomes a gold producer: Platts Metals Week, v. 75, no. 40, October 4, p. 4.
- Platts Metals Week, 2004c, Gold miner DRD completes retrenchment: Platts Metals Week, v. 75, no. 41, October 11, p. 12.
- Platts Metals Week, 2004d, New Idaho mill starts gold processing: Platts Metals Week, v. 75, no. 41, October 11, p. 12.
- Platts Metals Week, 2004e, Sri Lanka lifts coin sales suspension: Platts Metals Week, v. 75, no. 41, October 11, p. 12.

TABLE 1
MINE PRODUCTION OF RECOVERABLE GOLD
IN THE UNITED STATES, BY STATE¹

(Kilograms)

	California	Nevada	Other States ²	Total
2003:				
October	211	20,300	4,120	24,600
November	246	18,900	3,830	23,000
December	235	17,100	3,910	21,300
January-December	4,270	227,000	45,700	277,000
2004:				
January	198	16,900	3,210	20,300
February	245	15,500	2,890	18,700
March	243	20,800	3,160	24,200
April	283 ^r	15,500	2,850	18,600
May	241 ^r	18,400	3,000	21,700 ^r
June	1,070	18,600 ^r	3,190	22,800
July	182 ^r	18,100	3,250 ^r	21,500 ^r
August	164 ^r	17,400	3,300 ^r	20,900 ^r
September	174 ^r	18,500	3,510 ^r	22,200 ^r
October	164	18,200	3,510	21,800
January-October	2,960	178,000	31,900	213,000

^rRevised.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Includes Alaska, Arizona, Colorado, Idaho, Montana, South Dakota, Utah, and Washington.

TABLE 2
GOLD PRICES

(Dollars per troy ounce)

Engelhard Industries:	
2003:	
Low/date	321.09 April 7
High/date	417.76 December 31
Average	364.80
2004:	
August:	
Low/date	392.16/5
High/date	411.95/23
Average	402.15
September:	
Low/date	397.62/8
High/date	417.01/30
Average	406.79
October:	
Low/date	412.60/13
High/date	430.53/25
Average	421.83
Year to date:	
Low/date	376.29 May 10
High/date	430.53 October 25
Average	404.33
Handy and Harman:	
2003, average	363.51
2004:	
August	400.86
September	405.45
October	420.46
Year to date	403.01
London Final:	
2003, average	363.51
2004:	
August	400.51
September	405.28
October	420.46
Year to date	402.90

Source: Platts Metals Week.

TABLE 3
U.S. IMPORTS AND EXPORTS OF GOLD¹

(Kilograms of gold content, unless otherwise specified)

Period and country	Ores and concentrates ²	Doré and precipitates	Refined bullion ³	Total ⁴	Waste and scrap (gross weight)	Metal powder (gross weight)	Gold compounds (gross weight)
Imports for consumption:							
2003	1,960	95,200	152,000	249,000	15,000	4,080	31,800
2004:							
July ⁵	68	8,700	13,400	22,100	1,960	502	6,080
August	484	9,370	9,210	19,100	1,420	266	1,010
September:							
Brazil	--	--	1,400	1,400	16 ⁵	--	--
Canada	322	--	7,110	7,440	226 ⁵	49	--
Chile	--	206	940	1,150	--	--	--
Colombia	--	2,090	425	2,510	154	--	--
Costa Rica	--	--	--	--	135 ⁵	--	--
Dominican Republic	--	--	1	1	942 ⁵	26 ⁵	--
Germany	--	--	(6)	(6)	--	--	6,130 ⁵
Honduras	--	200	--	200	8	292	--
Japan	--	--	--	--	--	(6) ⁵	3,670 ⁵
Mexico	--	176	63	239	804 ⁵	--	--
Netherlands	--	--	--	--	--	--	722 ⁵
Nicaragua	--	146	--	146	--	--	--
Panama	--	91	14	105	5	--	--
Peru	--	13,700	--	13,700	--	--	--
United Kingdom	--	--	--	--	20 ⁵	3	1,010 ⁵
Other	1	16	206	223	74 ⁵	3 ⁵	--
Total	323	16,600	10,200	27,100	2,380	373	11,500
Year to date	1,240	90,300	113,000	205,000	14,400	3,610	39,700
Exports:							
2003	826	131,000	220,000	352,000	159,000	874	565,000
2004:							
July	45	12,400	12,300	24,800	52,700	62	122,000
August	96	10,800	6,090	17,000	46,700	81	93,000
September:							
Australia	--	--	5,250	5,250	--	--	906 ⁵
Canada	--	6	6,030 ⁵	6,040	8,520 ⁵	--	30,400 ⁵
Dominican Republic	89	--	--	89	--	3	3,220 ⁵
Germany	--	--	--	--	21,900 ⁵	--	218 ⁵
Ireland	--	--	--	--	--	--	163 ⁵
Israel	--	--	141	141	--	--	3,320 ⁵
Korea, Republic of	--	--	--	--	--	--	194 ⁵
Malaysia	--	--	74	74	--	--	--
Mexico	--	--	536	536	--	2	620 ⁵
Panama	--	--	--	--	--	--	331 ⁵
Singapore	--	--	--	--	--	--	58,600 ⁵
Switzerland	122	12,700	3,660	16,500	223	--	--
Taiwan	--	--	--	--	--	--	3,730 ⁵
United Arab Emirates	--	--	1,990	1,990	--	--	--
United Kingdom	1	--	997	998	25,400 ⁵	41 ⁵	1,400 ⁵
Other	--	--	222	222	124	(6)	--
Total	212	12,800	18,900	31,900	56,100	46	103,000
Year to date	839	102,000	84,900	188,000	481,000	437	868,000

-- Zero.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Includes gold content of base metal ores, concentrates, and matte imported for refining.

³Bullion also moves in both directions between U.S. markets and foreign stocks on deposit in the Federal Reserve Bank. Monetary gold excluded.

⁴"Waste and scrap," "Metal powder," and "Gold compounds" not included in "Total."

⁵All or part of these data have been referred to the U.S. Census Bureau for verification.

⁶Less than 1/2 unit.

Source: U.S. Census Bureau.